

SENATE BILL REPORT

SB 5388

As of February 6, 2009

Title: An act relating to motor vehicle dealer disclosure of damage and repairs in the sale of new motor vehicles.

Brief Description: Requiring motor vehicle dealers to disclose whether a new motor vehicle has sustained damage, repaired or not, in the sale of the new motor vehicle.

Sponsors: Senators Parlette, Murray, Swecker, Carrell, King, Tom, Kohl-Welles and Franklin.

Brief History:

Committee Activity: Labor, Commerce & Consumer Protection: 1/26/09.

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Staff: Alison Mendiola (786-7483)

Background: The practices of dealers and manufacturers practices are regulated by 46.70 RCW. Within this chapter, a number of practices by dealers and manufacturers are determined to be unlawful, for which the penalty is a misdemeanor. A civil action for any of the violations may be brought in superior court to seek an injunction, and recover actual damages and costs of the litigation, including reasonable attorneys' fees. Violations are also a violation of the Consumer Protection Act.

Summary of Bill: In the sale or transfer of a new or previously unregistered motor vehicle to a purchaser or transferee, including another dealer, a dealer must disclose, in writing, any damage known by the dealer to have been sustained and not repaired or subsequently altered. The damage must be disclosed before the purchaser or transferee enters into a contract for the vehicle, or if unknown at that time, before delivery of the motor vehicle.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff Summary of Public Testimony: PRO: If you purchase a new vehicle there is no requirement that a dealer disclose any damage. A dealer transferred a vehicle to another dealer that had been damaged but the first dealer did not disclose this. The second dealer sold the car and the subsequent buyer had problems as a result of the damage that was not disclosed.

CON: This bill is not necessary. State common law already requires that material defects be disclosed.

Persons Testifying: PRO: Senator Parlette, prime sponsor; Richard Stilwater, private citizen.

CON: Scott Hazelgrove, Washington State Auto Dealers Association.